

Citipower's expected cost of gas from its primary supplier, Citigas, LLC ("Citigas") (an affiliate pursuant to 278.010(18)), using the New York Mercantile Exchange ("NYMEX") Natural Gas 12-Month strip rate for October 2011. Updating these numbers for the most current indices produces an EGC of \$5.3549 per Mcf, which is a decrease of \$.7927 per Mcf from the prior approved EGC of \$6.1476 per Mcf.

3. Citipower's notice sets out no Refund Adjustment.

4. Citipower's notice sets out a current quarter Actual Adjustment ("AA") of (\$.2314) per Mcf to return net over-recoveries for the months January through June 2011. Citipower's total AA of (\$.2748) per Mcf represents a decrease of \$.2931 per Mcf from its previous AA of \$.0183. The (\$.2748) AA reflects the expiration of a previous quarter AA in the amount of \$.0617 that Citipower had included in its calculation.

5. Citipower's notice sets out a current quarter Balance Adjustment ("BA") of \$.0227 per Mcf. Citipower did not use the correct expired previous quarter AA of \$.1258 in the calculation of its current BA. It also did not calculate the remaining net under-recovery from the expired AA of \$.8652. Correcting for these errors produces a current BA of \$.2148 per Mcf. Citipower's total BA is \$.1764 per Mcf, which is an increase of \$.1947 per Mcf from its prior total BA of (\$.0183) per Mcf. The \$.1764 BA reflects the expiration of a previous quarter BA in the amount of \$.0201 that Citipower had included in its calculation.

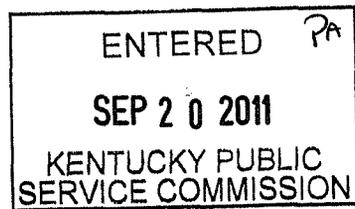
6. These combined adjustments produce a GCA of \$5.2565 per Mcf, which is a decrease of \$.8911 per Mcf from the previous rate of \$6.1476 per Mcf.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered on and after October 1, 2011.

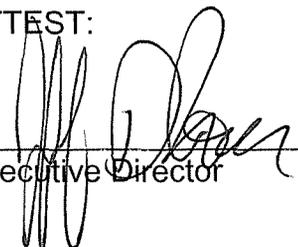
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are approved for billing for service rendered on and after October 1, 2011.
2. Within 20 days of the date of this Order, Citipower shall file its revised tariffs with the Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00367 DATED **SEP 20 2011**

The following rates and charges are prescribed for the customers served by Citipower, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Residential and Commercial

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$7.6492	\$ 5.2565	\$12.9057

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.

Industrial and Institutional

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$6.6492	\$ 5.2565	\$11.9057

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.

Dan Forsberg
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